undertaken by NTPC in order to prepare the Feasibility Report and establish techno-economic viability of the project.

The site was identified considering its proximity to coal mines of Western Coalfields Ltd. about 150 kms. away and water from Gosikhurd Reservoir, which was under construction. Government of Maharashtra was to tie up funds for completion of Gosikhurd Dam and was to indicate firm schedule for supply of water to the project. The required confirmation was not available from Maharashtra Government.

Further, the mines identified for supply of coal to the project in Wardha Valley coalfiedls, were of very small capacities and scattered over a large area. However, Standing Linkage Committee (Long-Term) accorded linkage of coal for the project from lb-Valley Coalfields of Mahanadi Coalfields Ltd. (MCL), located about 600 kms. away. Cost of coal transportation will be about Rs.585 per tonne which results in increase in cost of power by about 45 paise/kwh. Further, the specific mining block is yet to be known.

In absence of firm schedule for supply of water to the project from Government of Maharashtra and allotment of specific coal block in Western Coalfields Ltd. (WCL), the detailed examination for project viability required for preparation of Feasibility Report could not be undertaken.

Measures to enable consumers to choose power suppliers of their choice

1603. SHRI JANARDHANA POOJARY: Will the Minister of POWER be pleased to state:

(a) whether Government are considering to set up task force to work out ways and means of allowing consumers to choose power suppliers of their choice and trapping the surplus power generating capacity of the captive power plants to meet the shortfalls; and

(b) if so, what are the details with the time-schedule for submission of reports by the task forces and implementation of their recommendations?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) No, Sir. The Electricity Act, 2003 already mandates the State Electricity Regulatory Commissions to introduce open access in such phases and subject to such conditions as may be specified within one year of the Act coming into force.

The Act further provides that the State Commission shall, not later than five years from the date of commencement of the Electricity (Amendment) Act, 2003, i.e. from 27th January, 2004, by regulations, provide such open access to all consumers who require a supply of electricity where the maximum power to be made available at any time exceeds one megawatt.

Under sub-section (2) of Section 42 of the Act, e surcharge in addition to the charges for wheeling is to be levied by the respective State Commission on consumers switching to alternate supplies under open access. Such surcharge is to be utilized to meet the requirements of current level of cross subsidy within the area of supply of the distribution licensee. An additional surcharge may also be levied under sub-section (4) of Section 42 for meeting the fixed cost of the distribution licensee arising out of his obligation to supply in cases where consumers are allowed open access.

The National Electricity Policy states that the amount of surcharge and additional surcharge levied from consumers who are permitted open access should not become so onerous that it eliminates competition that is intended to be fostered in generation and supply of power directly to consumers through the provision of open access. It further states that it is essential that the Surcharge be reduced progressively in step with the reduction of cross-subsidies as provided in Section 42 (2) of the Electricity Act, 2003.

The National Electricity Policy also states that a large number of captive and standby generating stations in India have surplus capacity that could be supplied to the grid continuously or during certain time periods. These plants offer a sizeable and potentially competitive capacity that could be harnessed for meeting demand for power. Grid inter-connectionsfor captive generators shall be facilitated as per Section 30 of the Act. This should be done on priority basis to enable captive generation to become available as distributed generation along the grid.

The policy further envisages that appropriate commercial arrangements would need to be instituted between licensees and the captive generators for harnessing of spare capacity energy from captive power plants. The appropriate Regulatory Commission shall exercise regulatory oversight on such commercial arrangements between captive generators and licensees determine tariffs when a licensee is the off-taker of power from captive plant.

(b) Does not arise.